

§ 122D-9. Insurance of agricultural loans.

(a) The Authority may insure and reinsure agricultural loans made by lending institutions, subject to the terms, conditions, limitations, collateral and security provisions, and reserve requirements as shall be determined by the Authority in accordance with the rules adopted by the Authority.

(b) Unless otherwise determined by the Authority, insurance of agricultural loans shall be in the amount of one hundred percent (100%) of the unpaid principal and interest on each loan.

(c) An insured agricultural loan shall be in default when the holder of such loan makes application to the Authority for payment of insurance on such loan stating that such loan is in default in accordance with the terms of any agreement with respect to such insurance executed pursuant to this section.

(d) The Authority may enter into agreements with any person, lending institution or holder of an insured agricultural loan upon such terms as may be agreed upon between the Authority and such person, lending institution, or holder, to provide for the administration, applications therefor, repayment thereof, and to establish the conditions for payment of insurance by the Authority, and the servicing, suit upon, or foreclosure of insured agricultural loans.

(e) The aggregate value of all agricultural loans insured by the Authority and outstanding at any one time shall not exceed 20 times the total value of funds, investments, properties and other assets of the Authority except that this insurance may be further expanded by use of federal, state or private loan insurance, reinsurance, or guarantees of which the Authority is or shall become the beneficiary. (1985 (Reg. Sess., 1986), c. 1011, s. 1; 1989, c. 500, s. 109(e); 1989 (Reg. Sess., 1990), c. 1074, s. 32(b).)